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SIPDIS

SENSITIVE

DEPARTMENT FOR EAP/BCLTV, USPACOM FOR FPA HUSO

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TAGS: PGOV TH

SUBJECT: THAKSIN CONSIDERS CABINET CHANGES FOLLOWING
CENSURE DEBATE

REF: BANGKOK 4238

11. (U) Summary: Prime Minister Thaksin Shinawatra appears ready to make the first changes to his cabinet since his re-election in February. Following an unsuccessful censure motion against his Minister of Transportation, the move is expected in mid-July and could likely involve the Transportation, Finance and Foreign Ministries. The expected moves may only be a temporary measure before a bureaucratic reform measure takes effect in October, reducing the number of ministries by two. As the Parliament heads into a month long recess in July, the lower house is trying to pass next year's budget and approve a constitutional amendment, all before the weekend. End Summary.

12. (U) Speculation increased on June 30 in Bangkok following the voting in Thailand's lower House of Representatives, which resulted in the predicted unsuccessful bid to censure the Minister of Transportation, Suriya Jungrungreangkit (Reftel). In follow on analysis and commentary that had been floated over the weekend prior to this week's debate and vote, nearly all the daily Thai language and English language newspapers speculated that Suriya would be moved to a Deputy Prime Minister position for his inability to respond convincingly to questions of mismanaging the purchase of baggage scanners for Bangkok new international airport, which is scheduled to open later this year.

TRANSPORTATION

13. (U) Names floated for Suriya's replacement at Transportation include Vichit Suraphongchai, Chairman of the Board of Siam Commercial Bank President and former Finance Minister under the Chuan administration. He has also previously served as Transport Minister. There was also a report that that Agriculture Minister Sudarat Keyuraphan might take job, but this appears unlikely as she has been tasked with trying to take charge of what is seen as one of the most corrupt ministries in the RTG. There would also not appear to be a strong replacement at the Agriculture Ministry. The current Minister of Commerce, Thanong Bidaya, was also floated to take the transport portfolio. Suriya may move to be a Deputy PM in charge of transportation issues, likely overseeing an ambitious set of multi-million dollar public transportation projects recently approved by the Parliament.

FINANCE

14. (U) The current Minister of Finance, Somkid Jatusripitak, holds the concurrent position of Deputy Prime Minister for economic affairs. It was widely reported that Somkid wanted to lose the Finance portfolio in March when the present cabinet was formed by PM Thaksin could not find a credible candidate to fill the job. Now, it appears, the PM may appoint the former Finance Minister and Deputy Prime Minister Virabongsa Ramangkura. Virabongsa is an economist, not an elected Member of Parliament who in the past has been called in to help governments in politically choppy waters.

FOREIGN AFFAIRS

15. (U) Finally, The Nation reported on June 30 (and Poloffs had heard rumors recently), that Deputy Prime Minister Surakiart Sathirathai, will return to MFA. The Nation story cited sources as describing current FM Kantathi Suphamongkhon as "too passive for the job." It is unclear where FM Kantathi would go or if he would leave RTG service. (Note: Kantathi's appointment in March came as a complete surprise, therefore any talk of his removal and Surkiart's return should be taken in that light. End note.)

FROM 20 TO 18, COMING SOON

16. (U) All of these rumors of a reshuffle, however, may just a first move before more reappointments will be made in October when the Science Ministry is folded in to the Information, Communications and Technology Ministry and the Culture Ministry is folded into the Ministry of Tourism and Sports. The current Minister of Culture, Uraiwan Thienthong, is the wife of the Thai Rak Thai (TRT) party's Wang Nam Yen

faction. After yesterday's vote, which Snoh conveniently missed due to "illness", he was quoted as saying, "We won the vote, but lost public opinion." It appears that Uraiwan will be allowed to keep her portfolio until her October and the Snoh will be allowed to stay in the party.

THE SEVEN YEAR ITCH?

17. (SBU) Comment: Political ruminations following a controversial censure debate are all speculation. The only known element as that no changes will take place without the involved consent of Thaksin. It's been reported that changes won't be announced until after the TRT's 7th anniversary founding on July 14. Nearly all the ministries mentioned for the shakeup are run by technocrats or economic experts and those new faces mentioned as possible replacements are well-known TRT economic insiders. As the PM and all of his key economic and foreign policy advisors head for a state visit to China on June 30, Thaksin, as he noted to the press on June 29, has "a lot to think about." End Comment.

BOYCE